

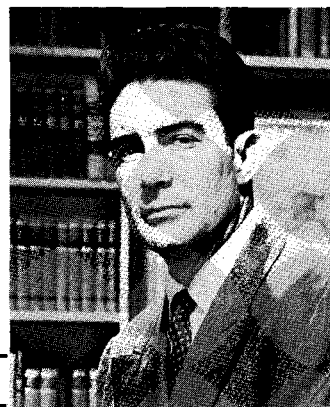
THE *Dan Smoot Report*

Vol. 8, No. 24

(Broadcast 357)

June 11, 1962

Dallas, Texas



DAN SMOOT

COMMUNIZING AND CORRUPTING AGRICULTURE

Dr. Willard W. Cochrane, a Minnesota economist, was Kennedy's chief farm adviser during the 1960 campaign. Dr. Cochrane devised a "new" agricultural program which President Kennedy — in a special farm message, March 16, 1961 — urged Congress to authorize.

The Kennedy-Cochrane farm program prescribed a "supply management" system in which committees of farmers, under the control of the Secretary of Agriculture (with Congress having only a negative veto vote if it disapproved) would regulate the production and income of American farmers.⁽¹⁾ This scheme would create in the United States a system virtually identical with the corporate states which Mussolini and Hitler set up in Italy and Germany. The economic arrangements in the fascist states of Italy and Germany before World War II were different from the economic arrangements in communist countries only in the mechanical techniques of management.

When we have our entire economy departmentalized into communes, or soviets, or governmental corporations — each departmentalized industry run by a local committee or soviet under the over-all control of the central political power in Washington — we will have the total fascist-communist state.

The Kennedy-Cochrane farm program of 1961 would have created this kind of fascist-communist system for agriculture, our largest industry. And, of course, if we permit government to communize agriculture, there is little reason to believe that we can then prevent the communizing of all other basic industries, one by one.

In 1961, Congress passed an "Emergency Feed Grains Bill" proposed by Kennedy; and it enacted the Agriculture Act of 1961 to extend all existing farm programs; but it did not

THE DAN SMOOT REPORT, a magazine published every week by The Dan Smoot Report, Inc., mailing address P.O. Box 9538, Lakewood Station, Dallas 14, Texas, Telephone TAYlor 4-8683 (Office Address 6441 Gaston Avenue). Subscription rates: \$10.00 a year, \$6.00 for 6 months, \$3.00 for 3 months, \$18.00 for two years. For first class mail \$12.00 a year; by airmail (including APO and FPO) \$14.00 a year. Reprints of specific issues: 1 copy for 25¢; 6 for \$1.00; 50 for \$5.50; 100 for \$10.00 — each price for bulk mailing to one person. Add 2% sales tax on all orders originating in Texas for Texas delivery.

Copyright by Dan Smoot, 1962. Second class mail privilege authorized at Dallas, Texas.

No reproductions permitted.

act on the “new” farm program proposed by the President.

On January 30, 1962, President Kennedy tried again. He sent another special farm message to Congress, presenting the Cochrane scheme somewhat modified.

On January 31, 1962, United States Representative Harold D. Cooley (Democrat, North Carolina, Chairman of the House Agriculture Committee) introduced HR 10010, to implement the President’s program.

The Kennedy farm program of 1962 does not include the communist-fascist Farmers’ Committees proposal of 1961; it does not include the proposal that Congress abandon its legislative function and grant the Secretary of Agriculture authority to do anything he likes, subject only to Congressional veto; and it is not quite as broad in scope (does not include as many farm commodities) as the 1961 proposals.⁽²⁾

The Kennedy farm program of 1962 retains the “supply management” plan of 1961 — which will mean a communist-fascist type of farm regimentation for all farmers producing major commodities now in great surplus: wheat, corn, grain sorghum, and barley. The Secretary of Agriculture will be empowered to determine how many acres should be devoted to these crops. He will allot all farmers a “base” acreage, telling them how many acres they can plant in these crops, and how many acres they must leave idle or put to other use. The Secretary will guarantee the farmers a high price for the authorized crops produced. He will pay them for not planting the idle acres; or, he will give “land use” aid to them for authorized “other uses” of the land which is not planted in the controlled crops. Some of the “other uses” specified will involve soil and water conservation, development of recreational facilities, and promotion of wild-life preservation.

The 1962 farm program preserves the Soviet-style referendum system which has been imposed on wheat and corn farmers for years. The Department of Agriculture supervises a referendum election, in which affected farmers can vote *for* or *against* a high price support program for controlled commodities. If two-thirds of the farmers voting should reject high price supports, the Department can punish them by dumping on the market some of the vast stores of accumulated surpluses, thus depressing prices and making it impossible for farmers to sell what they produce.

The Department itself determines qualifications and conditions for voting, and rigs the “elections” so that farmers are never given a chance to vote for freedom. Hence, generally speaking, only the minority of farmers who are a part of, or are profiting from, the corrupt and tyrannical system, ever bother to vote. Most farmers — who would like the federal government to get out of the farming business and leave farmers free to farm their own land in their own way — always ignore the farcical “elections.” It follows that the farmers’ “referendum” elections — rigged and controlled by the Department of Agriculture — always prove what the Department wants them to prove: namely, that American farmers are “overwhelmingly” in favor of the Department’s programs.

Dr. Willard W. Cochrane (creator of President Kennedy’s “supply management” agricultural program) and Orville Freeman (Secretary of Agriculture) candidly admit that the scheme means the granting (by sale or gift) of a federal franchise to farmers to farm.⁽³⁾ And the franchise to grow crops will have more value than the land on which the crops are grown. The value of a man’s farm will depend not on the quality of his land or on the labor and investment he has put into improvements, but on the kind of federal franchise he holds. If he cannot get a franchise, his land is virtually useless. If he can get the right kind of franchise, his farm will produce great profits from the federal treasury.

Billie Sol and the CCC

In 1958, U. S. Representative L. H. Fountain (Democrat, North Carolina — Chairman of the Intergovernmental Relations Subcommittee of the Committee on Government Operations) investigated the Commodity Credit Corporation. Mr. Fountain held hearings in June, July, and October, 1958. The published hearings and proceedings⁽⁴⁾ fill 365 pages with small print.

Here are passages from Representative Fountain's remarks when he initiated his investigation of the Commodity Credit Corporation on June 17, 1958:

"The Commodity Credit Corporation is a wholly owned Government corporation. . . . The corporation is managed by a Board of Directors and is subject to the general supervision and direction of the Secretary of Agriculture. It engages in buying, selling, lending, and other activities with respect to agricultural commodities and their products for the purpose of stabilizing, supporting, and protecting farm income and prices. . . .

"All of us, I am sure, recognize the need for careful examination by Congress of the way in which the taxpayers' money is spent. . . . The CCC handles literally billions of dollars worth of agricultural commodities each year. While the Congress has established certain general legal requirements, much of the conduct of CCC's affairs is determined by the administrative decisions of its officials.

"It is obvious that those responsible for CCC's operations are in a position to either save or waste tremendous sums of the taxpayers' money. . . .

"The Government has a very big business on its hands in the Commodity Credit Corporation. There is every likelihood that this operation will continue for some time to come. Because of its size, it is particularly important that it be carried on with the utmost honesty and with maximum economy and efficiency. It is our hope that the subcommittee's work will contribute to this objective."

With that preface, Representative Fountain started calling witnesses for testimony in his investigation of the Commodity Credit Corporation. All witnesses called—except one—were officials of government, mostly of the Department of Agriculture. The one who was not a government employee was James E. Merrill of United Dairy Equipment Company, whose business consists of serving Defense Department installations under government contracts.

Congressman Fountain asked the Department of Agriculture bureaucrats whether they ever wasted any government money. They assured him they did not. He asked them whether they ever granted any special favoritism to anyone. They assured him they did not.

Congressman Fountain asked the bureaucrats whether there was ever any fraud, bribery, or kickbacks involved in their granting of lucrative government storage contracts and other business to private individuals and business firms. The bureaucrats assured him that they were all honest. Mr. Fountain asked the bureaucrats what they do if they ever find any indication of dishonesty in their operations. The bureaucrats read him lengthy directives to show that they investigate themselves, try themselves, and punish themselves, if they ever do anything dishonest.

Satisfied, Representative Fountain closed his hearings and had the Government Printing Office publish the 365-page book of his subcommittee's findings.

The name of Billie Sol Estes was never mentioned in Mr. Fountain's investigation of the CCC — although, while the investigation was going on, Estes and the CCC were neck-deep in the grain-storage activities which started coming to light four years later.

Dr. John Dunn, Pecos, Texas, gave me documentation of Estes' activities; and I reported the case to the FBI on March 27, 1961.

On December 15, 1961, the Department of Agriculture notified Billie Sol Estes that his cotton acreage allotments were being canceled.

On January 6, 1962, Estes, accompanied by U. S. Representative J. T. Rutherford (Democrat, Texas) and Senator Ralph Yarborough (Democrat, Texas) attended a meeting with Department of Agriculture officials — who agreed to reinstate Estes' cotton acreage allotments.

On January 17, 1962, Estes made a \$1500 campaign contribution to Representative Rutherford. Yarborough says he has received "not more than \$9000" in campaign contributions from Estes.⁽⁵⁾

On March 29, 1962, FBI Agents arrested Billie Sol Estes. There was stunned silence and vast confusion in Washington. It was several days before the autographed pictures of our chosen leaders (of President Kennedy, Senator Yarborough, Representative Rutherford, and of others) were removed from the walls of Billie Sol Estes' plush offices and placed in inconspicuous storage. But Washington officials finally found their tongues.

President Kennedy tried to take credit for the FBI's arrest of Estes. Ralph Yarborough said, "Anyone, who hints that I improperly used one bit of power of my office for Mr. Estes, lies." Representative Rutherford announced that he also was an innocent victim of a campaign contribution.

And, on May 21, 1962, Representative Fountain announced that his Intergovernmental Relations Subcommittee was going to do some more investigating of the CCC, this time placing special emphasis on Billie Sol Estes' grain-storage dealings.

Capitalizing on Corruption

Just the salient facts of the Billie Sol Estes case already made public should be quite

enough to convince anyone that the corruption in and around the Department of Agriculture extends into the halls of Congress, into most of the executive agencies of government, and into the White House. It should be obvious that the Billie Sol Estes case is not an isolated phenomenon: there are bound to be many more such cases.

It should be obvious, moreover, that such cases are inevitable in any program that involves the expenditure of vast sums of public money, under conditions which make exact accounting impossible — and under conditions which give even honest officials of government an incentive to cover up and whitewash, out of fear of discrediting themselves for having supported such preposterous programs.

The Estes case has emphatically proven that corrupt and unconstitutional programs of government cannot be *reformed*: they must be abolished. Before the Billie Sol Estes case broke, no realist in Washington seriously believed that the Kennedy Farm program of 1962 would be enacted into law. The Estes case should have doomed the new proposals and caused Congress to abolish the whole agricultural program.

But President Kennedy managed to use this disgusting case to his own advantage: the President somehow convinced key men in Congress that the only way to avoid future cases like the Estes affair is to authorize the Administration's new farm program.⁽⁶⁾

The House Agriculture Committee had failed to act on HR 10010 (introduced by Representative Cooley on January 31, 1962, to implement the President's farm program proposals); but on May 16 — after the Billie Sol Estes case was making reeking headlines all over the country — the Committee, by a vote of 18 to 17, reported HR 11222, which embodies major features of HR 10010.

HR 11222 is the Farm Bill now pending in the House of Representatives.

On May 25, 1962, the Senate, by a roll-call vote of 42-38, passed S 3225, which is an amended version of the President's Farm Bill for 1962, and which is almost identical with HR 11222, still in the House.⁽⁷⁾

The Constitutional Argument

No matter how well-intentioned a governmental program; no matter how honorable and patriotic the people who support and administer the program; no matter how big a majority of the citizens themselves may want the program — when our federal government does something which it has no constitutional grant of power to do, our government is a dictatorship. It may for a while seem a good dictatorship, but every government which is permitted to become a dictatorship must ultimately resort to the same kind of brutal tactics that the Soviets use to maintain what they regard as their own “good” dictatorship of the proletariat.

In our Constitution, there is no grant of power to the federal government for any of its agricultural programs. Because there is no constitutional authority for them, all our federal government's agricultural programs should be abolished.

This should be enough said; but it isn't. We are living in an age when our governmental leaders ignore constitutional restraints (or deliberately lie about the meaning of our Constitution, or are too ignorant to understand its clear meaning). Officialdom nowadays wins public acceptance of governmental programs by claiming that they are helpful to the nation.

It is rather easy, however, to prove that most of government's big taxing and spending programs have been harmful rather than helpful.

History, Cases, Statistics

The federal farm programs were first “authorized” by Congress in the Agricultural Adjustment Act of 1933. In 1936, the Supreme Court (in the Butler Case) held the AAA unconstitutional. Roosevelt's threat to “pack” the Court in 1937, together with the death of some of the “nine old men,” changed the complexion of the Court. So, the Agricultural Adjustment Act of 1938 (even worse than the AAA of 1933) was (when tested) approved by the “new” Supreme Court as constitutional.

Official investigation has revealed that the federal agricultural programs, thus initiated by Henry Wallace during the first two terms of Franklin D. Roosevelt, were actually created by communists in the Department of Agriculture, for the purpose of communizing agriculture in the United States.⁽⁸⁾

But the official purpose—the political argument which persuaded Congress to authorize, and the public to accept the federal agricultural programs — was to save the small farmers of America.

The farm programs have had the opposite effect. They are destroying the small American farmer. Although the population of the United States has increased by 39% since 1938 (129 million in 1938 to 180 million in 1962), farm employment has declined 45% (13 million in 1938 to 7 million in 1962); and the number of farms has declined 50% (7 million in 1938 to 3½ million in 1962).⁽⁹⁾

The federal subsidies enrich the operators of big farming syndicates; wealthy promoters; land speculators; “gentlemen” farmers who reside and work in cities but buy farms for entertainment, subsidies, and tax advantages; and dishonest operators like Billie Sol Estes.

By paying big operators to produce surpluses which the Commodity Credit Corporation buys and holds in storage, the federal government destroys the free market for agricultural commodities. This, plus the tyranni-

cal controls imposed by the Department of Agriculture, makes it impossible for small farmers to operate their farms profitably as free men. The maximum which small farmers can get in federal handouts is not enough to sustain them. So, the small farmers are moving to the cities, turning their farms over to the big syndicates and promoters, who are prospering, not on the land but on tax money.

In 1961, Kennedy proposed, and Congress enacted, the Emergency Feed Grains Bill (HR 4510) to reduce the surpluses of feed grains. The Bill provided for a rise in price supports for feed grains, payments in cash and kind for farmers who agreed to reduce acreage of corn and grain sorghums by 20 to 40 percent, and loss of eligibility for price support to farmers who did not participate in the acreage-reduction plan.

Under this law, the Department of Agriculture in 1961 paid farmers a total of 680 million dollars in return for their agreement to reduce corn acreage by 20,090,511 acres. The Department's own crop reports, filed in mid-1961, revealed, however, that corn acreage had been reduced by only 15,379,000 acres. This means that the Department paid farmers 150 million dollars for the retirement of 4,711,511 acres of corn crop land, which they did not retire.

When its own 1961 crop reports revealed this condition, the Department of Agriculture did not attempt to recover the 150 million dollars which it had paid for the retirement of acreage that was not retired: the Department merely got out another report, revising its figures.

Senator John J. Williams (Republican, Delaware) brought this condition to public attention, saying:

"The Secretary of Agriculture has paid approximately 150 million dollars to retire from the production of corn about 4½ million acres of crop land which either did not exist or never would have been planted in corn anyway. . . .

"The Department has a very plausible explanation. . . . it merely released . . . a revised estimate for 1961 planted acreage. . . .

"This may make the figures balance, but it does not change the fact that. . . the government paid for a 20-million-acre reduction and got a reduction of a little over 15 million acres. No matter how the reports are juggled, the answer is the same. . . .

"To show the magnitude of this 150 million dollar blunder, I point out these 4½ millions of phantom acres represent an area larger than the combined total of all the harvested cropland (corn acreage as well as acreage of all other types of crops) in the States of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New Jersey, Delaware, and West Virginia.

"Not only does the Feed Grains Act of 1961 represent a multimillion dollar waste of the taxpayers' money but also it has created a speculators' paradise. Furthermore, it has actually hurt the American farmers, as the Secretary attempted first to bribe the farmers to reduce their plantings, and then force the American farmers under the bureaucratic umbrella by manipulating the grain markets in such a manner as to break the market."⁽¹⁰⁾

The Land Use provisions of the 1962 Farm Bill continue the basic features of the Soil Bank Program which was initiated in 1956 and which has authorized a multitude of outrageous swindles against American taxpayers.

On February 24, 1961, Senator John J. Williams, in a speech to the Senate, gave facts on the Wayne E. Tallman case, which is typical of many thousands of situations which have developed since 1956 — which still exist, and which will not only continue but be magnified in number and magnitude by the Farm Bill of 1962.

Wayne E. Tallman bought a 6,960-acre ranch in Colorado for \$139,200 and then, through a maze of complicated subleasing arrangements, placed 3,879 acres of the ranch in the soil bank in such a way that, in ten years, the government will pay him \$271,000

for doing nothing. During those ten years, Tallman or his agents will have the use of approximately half the ranch.

In substance, the federal government gives Wayne Tallman a \$139,200 ranch and \$131,800 in cash in return for Tallman's agreement to do nothing, during the first ten years of his ownership, with approximately half of the ranch which the government gave him.

Before he set up this deal, Wayne Tallman, on February 14, 1957, outlined it to the Department of Agriculture agency in his county (The Kiowa County Agricultural Stabilization Committee) and got official approval.⁽¹¹⁾

On the other hand, is the case involving James Weir. Weir owned a 944-acre rice farm (near Lake Village, Arkansas) which he valued at \$300,000. In April, 1962, agents of the federal government sold Weir's farm for \$60,000, at a public auction (to a Louisiana purchaser), in order to collect fines imposed on Weir for "over-planting" his rice-acreage allotments. Weir sacrificed himself in a vain effort to show that the whole farm program is unconstitutional and that American farmers want to live and work as free men, not as controlled wards of government.⁽¹²⁾

In 1961, President Kennedy and Secretary Freeman promised that the new agricultural programs which they were initiating (the Emergency Feed Grains Program, for example) would reduce the cost of the federal government's over-all farm program by at least 1 billion 500 million dollars a year. The opposite happened: the cost of our farm programs increased a billion dollars.⁽¹³⁾

At present, the government has 9 billion dollars invested in surplus agricultural commodities. It costs taxpayers 1 billion dollars a year just to store and maintain the surpluses. The Department of Agriculture's budget this year exceeds 7 billion dollars.⁽¹³⁾

The farm price-support program is costing about 3 billion dollars a year, plus 1 billion, 500 million dollars a year for cut-rate sales and giveaways of farm surpluses abroad.⁽¹⁴⁾

Adair Bill: The "What to Do"

We do have a "farm problem" in America, and the government has caused it. The way to solve the problem is to get the government out of the farming business and leave American farmers free.

There is now before Congress a proposed bill which would repeal the Agricultural Adjustment Act of 1938, and thus leave American farmers free to solve the "farm problem." It is HR 4051, introduced February 9, 1961, by U. S. Congressman E. Ross Adair (Republican, Indiana). The proposed Adair Bill deserves energetic and relentless support from every American, farmer and urban dweller alike, who wants to restore American constitutional government.

Here is the full text of the Adair Bill:

"A BILL

"To free farmers from Government control.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Agricultural Adjustment Act of 1938, as amended, shall be hereby repealed.

"Sec. 2. All stocks of commodities owned by the Commodity Credit Corporation shall be frozen for a period of two years, pending provision for orderly liquidation of the Corporation. This shall be intended to terminate all buying, as well as selling activities of the Corporation.

"Sec. 3. (a) All penalties collected under the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, shall be refunded to those persons penalized under the marketing quota provisions. The Secretary of the Treasury shall reimburse

such persons, or their heirs, within a period of two years after the date of enactment of this bill.

“(b) The Secretary of Agriculture shall furnish a list of all penalties collected and persons from whom collected to the Secretary of the Treasury, for the purpose of such reimbursement.

“(c) After the two-year period for reimbursement of said penalties has elapsed, all persons having an unsatisfied claim to reimbursement of penalties incurred under marketing quota provisions of the Act, shall be authorized to institute a civil suit for collection of said claims against the United States Government in any district court of the United States of America.

“(d) All liens established as a result of penalty judgment under the marketing quota provisions of the Act, are hereby declared to be null and void.”

The Adair Bill — which has lain in the House Agriculture Committee virtually unnoticed since it was introduced on February 9, 1961 — is the only proposal before Congress that really would solve our “farm problem.” It would restore the constitutional rights of American farmers; it would eliminate the possibility of any more Billie Sol Estes cases; and it would save American taxpayers at least 5 billion dollars a year.

All Americans who care should urge their United States Representatives to vote *against*

the Administration Farm Bill: HR 11222, already reported by the Agriculture Committee but still pending in the House; and S 3225, passed by the Senate on May 25, 1962, but still awaiting action in the House.

At the same time, all members of the House should be urged to use whatever means available to get the Adair Bill (to repeal the Agricultural Adjustment Act of 1938, as Amended — HR 4051, introduced February 9, 1961) out of the Agriculture Committee and bring it on to the floor of the House for a vote.

Footnotes

- (1) 1961 Congressional Quarterly Almanac, p. 107
- (2) Congressional Quarterly Weekly Report, February 2, 1962, p. 139
- (3) U. S. News & World Report, June 11, 1962, pp. 54, 55
- (4) Investigation of the Commodity Credit Corporation, Government Printing Office, 1959
- (5) Congressional Quarterly Weekly Report, May 25, 1962, p. 877
- (6) U. S. News & World Report, June 11, 1962, p. 54
- (7) Congressional Quarterly Weekly Report, June 1, 1962, p. 922
- (8) Interlocking Subversion In Government Departments, Report of the Senate Internal Security Subcommittee, July 30, 1953, p. 44
- (9) Historical Statistics of The United States: Colonial Times to 1957, published by The U. S. Bureau of the Census, 1960; and Chicago Tribune editorial reprinted in Human Events, June 9, 1962
- (10) “Freeman Buys 4.5 Million Acre Phantom,” reproduced from Battle Line, in Human Events, August 18, 1961, p. 537
- (11) Congressional Record, February 24, 1961, pp. 2473-74
- (12) Extension of Remarks of U. S. Representative Paul Findley — Republican, Illinois — Congressional Record, May 1, 1962, p. A 3185
- (13) Newsletter issued by United States Representative Harold C. Oster-tag (Republican, New York) February 15, 1962
- (14) U. S. News & World Report, June 11, 1962, p. 55

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He worked as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report*.